RBC Capital Markets

777 South Figueroa Street
Suite 850
Los Angles, CA 90017-5852

June 2, 2008

Kenneth Kurtz
Managing Director
Moody's Investors Services
One Front Street – Suite 1900
San Francisco, California 94111

Dear Mr Kurtz:

We are writing in support of the active discussions, analysis and review that are presently occurring with regard to harmonizing in a rational way the rating scales of domestic municipal credits in comparison to those of other corporate or sovereign debt issuers.

The events and market conditions especially over the past year have focused investors' attention even more keenly on the credit ratings assigned to the municipal issuer itself (the "underlying ratings") in comparison to those assigned to the municipal bond insurer, if any. Currently, many investors will gear their investment criteria and pricing based on both ratings but particularly focusing on the underlying rating. Other credit providers, while simultaneously conducting their own internal credit analysis, will do the same. This is certainly the result of the credit deteriation of most of the major bond insurers and the rapidity with which that deteriation occurred. Regrettably, it reminds some investors of the circumstances surrounding the credit deteriation and downgrades of Executive Life some years ago, a dominant provider of GICs at the time.

Certainly, one should expect clarity, transparency and a rational basis of comparability when utilizing these ratings as an investment/pricing factor. We feel that these objectives would be advanced:

- To the extent that a unified rating scale with reasonable and comparable criteria was utilized by all three rating agencies.

- To the extent that comparable evaluation criteria were utilized to evaluate the underlying municipal issuer's credit regardless of the tax treatment on the interest paid on the obligation.

- To the extent that a valid side-by-side credit comparison could be made based on the characteristics of domestic municipal, corporate or non-domestic sovereign issuers.

While we appreciate the longstanding policies of the three major rating agencies in evaluating and assigning credit ratings, we think that this re-evaluation is both worthwhile and necessary. In the end, such a review would certainly assure the market that the criteria used and comparability inherent in assigning credit ratings has been thoroughly discussed and modified as necessary based on new information and circumstances.

Certainly, many major issuers feel similarly strongly about the need for this review and potential modifications to the rating system and criteria. As such, we support the strong suggestion of these issuers, led by State Treasurer Bill Lockyer, to encourage such a review at this time.

Very Truly Yours,

Anthony J. Taddey
Managing Director

AJT:ys

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June 2, 2008

Steven Zimmermann
Managing Director
Standard & Poor's
One Market Street
Steuart Tower – 15th Floor
San Francisco, California 94105

Dear Mr Zimmerman:

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June 2, 2008

Amy S. Doppelt
Managing Director
FitchRatings
650 California Street, 8th Floor
San Francisco, CA 94108

Dear Ms. Doppelt:

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